



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

Karen Ross, Secretary

February 12, 2014

**OLIVE OIL COMMISSION OF CALIFORNIA
IMPLEMENTATION REFERENDUM
(VOTING PERIOD ENDS MARCH 14, 2014)**

TO ALL CALIFORNIA PRODUCERS OF OLIVES FOR OLIVE OIL:

The California Department of Food and Agriculture (CDFA) is conducting a referendum of California producers of olives for olive oil to determine if the proposed Olive Oil Commission of California should become operative. The statutory authority for this proposed program is the Olive Oil Commission of California Law (reference Chapter 29, Part 2 of Division 22 of the California Food and Agricultural Code) which was enacted into law on January 1, 2014 via the recent passage of SB 250. Enclosed with this cover letter are a referendum ballot and a postage-paid return envelope. All eligible producers are entitled and encouraged to vote.

OVERVIEW OF PROPOSED OLIVE OIL COMMISSION OF CALIFORNIA: Following is an overview of the proposed Olive Oil Commission of California. The actual Olive Oil Commission of California Law can be accessed at: <http://www.cdfa.ca.gov/mkt/mkt/ordslaws.html>.

If implemented:

- The Commission would be authorized to establish mandatory olive oil grades and labeling standards for olive oil sold in California, subject to the approval of CDFA, and conduct research relating to olive oil.
- The operations of the Commission would be directed by a ten-member board of directors consisting of six elected producers, three elected handlers, and one appointed public member. Additionally, an advisory committee consisting of seven persons who produce olives that are processed into less than 5,000 gallons of olive oil annually would be appointed by CDFA to advise the board of directors on Commission activities.
- The day to day operations of the Commission would be carried out by a staff to be hired or contracted with by the Commission.
- The Commission would be funded by a mandatory assessment levied on producers of olives for processing into olive oil. The rate of this assessment would be set annually by the Commission's board of directors at any level at or below the maximum allowable rate, which is twenty-five cents (\$0.25) per gallon of olive oil handled.
- Persons who produce olives that are processed into less than 5,000 gallons of olive oil annually would be exempt from paying the assessment.
- CDFA would conduct a public hearing every fifth year to determine if the Commission should continue in operation.

[Over]



VOTING REQUIREMENTS FOR IMPLEMENTATION: The following criteria must be met in order for the proposed Commission to become effective:

- At least 40 percent of the total number of the eligible producers on record must submit valid ballots, *and*
- Of those voting, at least 65 percent of producers who account for a majority of the total voted volume (gallons of olive oil) must vote in favor of implementing the Commission, *or*
- Of those voting, a majority of producers who account for at least 65 percent of the total voted volume (gallons of olive oil) must vote in favor of implementing the Commission.

VOTER ELIGIBILITY: The Commission Law defines a producer as any person who produces or causes to be produced olives that are processed into olive oil in the amount of 5,000 gallons or more during the marketing season and who shall, upon the request of the Commission, provide proof of commodity sale.

Whether or not you meet the qualifications of a producer of olives for olive oil as defined, please complete all applicable sections of the enclosed ballot and return it to us in the enclosed return envelope (no postage required).

VOTING PERIOD: In order for your ballot to be counted, all applicable portions of the ballot must be completed. In addition, the ballot must be postmarked or otherwise received by this office no later than **Friday, March 14, 2014.**

REFERENDUM RESULTS: A summary of the referendum results will be announced following tabulation of the ballots. Individual votes and all information provided on individual ballots will be kept confidential.

If the Commission is approved in the referendum, a board of directors for the Commission would be formed based on producer and handler nomination meetings to be conducted by CDFA in each of the three districts defined in the Commission Law. The board would begin meeting to plan activities for the first fiscal year that would begin on July 1, 2014. This would include developing recommendations to CDFA regarding proposed olive oil grades and labeling standards along with adopting an operating budget and assessment rate for the new fiscal year. If the Commission is not approved in the referendum, it will not become operative at this time.

If you have questions regarding this referendum or the proposed Program, please contact Joe Monson with the Marketing Branch at (916) 900-5018 or by email at Joe.Monson@cdfa.ca.gov.

Sincerely,



Robert Maxie, Chief
Marketing Branch

Enclosures